

July 23, 2002

Ms. Jennifer McKee, Wireline Competition Division
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

In the Matter of CompTel Petition for Rulemaking
Re: Presubscribed Interexchange Carrier Charges
CCB/CPD No. 01-12

Dear Ms. McKee:

This week's bankruptcy filing by WorldCom, Inc. ("WorldCom") underscores the need for the Federal Communications Commission to act quickly in the above-mentioned proceeding to reduce the Primary Interexchange Carrier ("PIC") Change Charge and eliminate it *in its entirety* where an IXC acquires, through a sale or transfer, either part or all of another telecommunications carrier's subscriber base, when the selling carrier has declared bankruptcy.

If WorldCom sells its consumer long distance business, any acquiring interexchange carrier ("IXC"), such as IDT, would be required to pay the applicable PIC Change Charge on behalf of its newly acquired customers. With the PIC Change Charge as high as \$10.00 per customer, it is likely that the IXC acquiring WorldCom's millions of subscribers could have to pay more than \$100 million in PIC Change Charges. This incredible sum may cause certain IXCs to refrain from bidding for these customers, thus harming WorldCom's subscribers and creditors.

The PIC Change Charge must not be permitted to serve as a barrier to competition or consumer welfare. Therefore, I urge the Commission to eliminate the PIC Change Charge *in its entirety* where an IXC acquires, through a sale or transfer, either part or all of another telecommunications carrier's subscriber base, when the selling carrier has declared bankruptcy. Elimination of the PIC Change Charge in such cases will increase IXC interest in acquiring the bankrupt carrier's subscribers, thus benefiting consumers, and will also ensure that IXCs bidding for the bankrupt carrier's subscribers will not have

to reduce their bid to account for subsequent PIC Change Charges, thus benefiting the bankrupt carrier's creditors. Additionally, a reduction of the PIC Change Charge in all other instances of a subscriber's carrier switch will ensure that the PIC Change Charge is no longer permitted to act as a barrier to competition.

Thank you for your consideration. If you would like to discuss this further, please contact me at your convenience.

Sincerely,

/s/ James A. Courter

James A. Courter
Vice Chairman & CEO, IDT Corporation

c: Chairman Michael K. Powell
Commissioner Kathleen Q. Abernathy
Commissioner Michael J. Copps
Commissioner Kevin J. Martin